

Community Self Reliance Center (CSRC)
Sindhupalchowk District Nepal

Auditor`s Report & Annual Account
2074/75

Submitted
By
Prabin Joshi & Co.
Chartered Accountants

Ashwin 2075

Prabin Joshi & Co.

Chartered Accountants

Address:

Chha 1/823, Maharajgunj, Ring Road

P.O. Box: 23385, Kathmandu, Nepal

Tel: 4720959, 4720766

E-mail: pdjoshi@mos.com.np

E-mail: prabin_joshi@hotmail.com

4th Ashwin 2075

Dr. Suresh Dhakal

Chairperson

Community Self Reliance Center (CSRC)

Sindhupalchowk District

Nepal.

Sub: Auditor's Report Financial Year: 2074-075

Dear Dr. Dhakal,

We are pleased to inform you that we have completed audit of CSRC. We have the pleasure in submitting hard copies of Independent Auditor's Report.

This report presents results of our financial audit of annual accounts of CSRC for the year ended on 32 Ashad 2075. Audit was conducted during of August 2018.

We would like to thank you and all personnel of CSRC for the cooperation extended during the course of audit.

Thanking you,

Yours sincerely



CA. Prabin D. Joshi



Community Self Reliance Center (CSRC)
Sidhupalchowk District, Nepal

Auditor's Report

2074-075

Table Of Contents

Particulars	Page Ref.
EXECUTIVE SUMMARY	
Background	01
Audit Objectives and Scope etc.	01-02
Audit Result	02
Acknowledgment	02
AUDITOR'S REPORT	
Auditor's Opinion	03
FINANCIAL STATEMENTS	
Balance Sheet	04
Income and Expenditure Statement	05
Cash Flow Statement	06
Statement of Changes in Funds	07
Schedules and Notes to the Financial Statements	08-42

Community Self Reliance Center (CSRC)
Sindhupalchowk District, Nepal

1. BACKGROUND

Community Self Reliance Centre (CSRC) registered as a non-for-profit making Non-Government Organization (NGO) institution in 1995. Its registered office is located in Sindhupalchowk District. Liaison office is located at Dhapasi, Kathmandu Nepal. CSRC has basically focused on land rights movement for landless farmers etc. It's activities are being undertaken at different locations covering 59 districts. CSRC has five branches. It also operates through resource organizations for implementing activities in the field. It also mobilizes fund from different donor organizations for the purpose of implementing activities.

As a part of its statutory requirement, CSRC has appointed **Prabin Joshi & Co.**, Chartered Accountants to audit the annual accounts of CSRC for the financial year 2074-075.

2. AUDIT OBJECTIVES AND SCOPE

Our audit was principally conducted in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2.1 OBJECTIVES

Objective of our audit has been to come up with auditor's opinions on the annual accounts particularly in areas whether it presents a true and fair picture of revenue and expenditures including project activities and its financial position at the given date in accordance with generally accepted accounting principles.

2.2 AUDIT SCOPE

The scope of audit has been the followings:

- a. Audit of annual accounts included an examination of information supporting the accounts and explanatory notes to annual accounts. These included:
 - i. Establishing whether proper accounting records have been maintained by the organization.
 - ii. Reviewing the principles for financial accounting, which were followed when compiling the financial statement.
 - iii. Evaluating overall presentation of information in the financial statements.
 - iv. Verifying the balance sheet items and statement of income and expenditure, project expenditures fund received and utilization thereof for project activities under specific agreement.
 - v. Testing the transactions and the existence, ownership and valuation of assets and liabilities.
 - vi. Obtaining an understanding of the accounting and internal financial control systems to the extent necessary in order to consider their suitability as a basis for the preparation of financial statements.



b. Compliance

Testing that CSRC has complied with conditions of contracts and local laws and regulations

c. Scope also includes holding meetings with officials of CSRC for necessary information, explanations, clarification and responses on our findings.

We conducted our audit of annual accounts in accordance with Nepal Standards on Auditing and accordingly included such tests on CSRC's financial data, records, examination of evidence supporting legitimacy of expenditures, disclosure in financial statement, assessing accounting principles used, significant estimates/calculation made as well as evaluating overall presentation of the financial statement in accordance with generally accepted accounting standards, and other general auditing procedures which we consider appropriate in order to satisfy our objectives.

Annual accounts were drawn up under the responsibility of CSRC's management.

2.3 AUDIT RESULTS

Opinion on the financial statements

Our audit opinion is given in page 3.

Administrative organisation and system of internal control

We have also carried out the assessment of system of internal control and administrative organization. During the course of the annual audit, we have not come across any significant issues relating to administrative organization and internal controls which have the effect on preparation and presentation of financial statement. However, we noted few reportable conditions which have been reported in our Management Letter. Management letter with our findings of reportable conditions along with management responses has been issued separately to the management of CSRC on even date of this report.

Management has principally agreed to our findings and recommendations set out in the management letter.

Compliance

Our test for compliance with agreement terms, laws and regulation of sampled transactions and records of CSRC indicated that for the term tested, CSRC has principally complied with those provisions of donor's & other relevant agreement terms as well as applicable laws and regulations for the financial year.

2.4 ACKNOWLEDGEMENT

We take this opportunity to thank all personnel of CSRC for the cooperation extended during the course of our audit.



**Auditor's Report to General Members of
Community Self Reliance Center (CSRC)**

Introduction

We have audited the accompanying financial statements of CSRC which comprise the Balance Sheet at 32nd Ashad 2075 (16th July 2018), Income and Expenditure Statement, Cash Flow Statement, Statement of Changes in Fund for the year then ended and a summary of significant accounting policies and notes to account.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

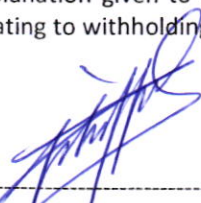
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, the financial statements give, in all material respects, a true and fair view of the state of affairs of CSRC as at 32nd Ashad 2075 (16th July 2018) and of the operational result for the financial year ended on that date in accordance with generally accepted accounting principles & prevailing laws except for the effect of disclosure made in Note 2.8 of Financial Statement for compliance of Labour Act 2074.

To the best of our knowledge & belief and accordingly to the explanation given and based on our audit, we are of view that the activities carried out are found to be within the objective of CSRC. To the best of our information, belief and explanation given to us, we further report that CSRC has complied generally with the provisions of Income-tax Act relating to withholding tax.



CA. Prabin D Joshi

Date: 4th Ashwin 2075 (20th September 2018)

Place: Maharajgunj, Kathmandu, Nepal

Community Self Reliance Centre (CSRC)

Balance Sheet

As at 32 Ashad 2075 (16 July 2018)

Amount in Rs.

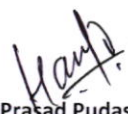
S.No	Assets	Sch	Current Period	Previous Period
1	Fixed Assets	1	23,416,836.95	22,182,446.38
1.1	General Assets		16,323,002.49	13,898,781.00
1.2	Project Funded Assets		1,817,232.26	2,479,691.85
1.3	Basket Funded Assets		5,139,009.00	5,648,096.00
1.4	Donation in Kind Assets		137,593.20	155,877.53
2	Investment	2	-	5,175,000.00
3	Current Assets:		35,822,602.31	25,215,938.31
3.1	Program & Other Advances	3	6,148,582.06	8,146,197.14
3.2	Inventory	4	-	-
3.3	Cash and Bank Balances	5	29,674,020.25	17,069,741.17
	Total Assets		59,239,439.26	52,573,384.69
S.No	Liabilities	Sch	Current Period	Current Period
1	Surplus & Reserves		30,441,930.47	29,909,908.02
1.1	Surplus		21,626,242.64	20,326,439.92
1.2	Addition during the year		1,721,853.37	1,299,802.72
	Total Surplus		23,348,096.01	21,626,242.64
1.3	Capital Reserves (Project Fund Assets)	6.1	1,817,232.26	2,479,691.85
1.4	Capital Reserves (Basket Fund Assets)	6.2	5,139,009.00	5,648,096.00
1.5	Capital Reserves (Donation in Kind Assets)	6.3	137,593.20	155,877.53
	Total Reserves		7,093,834.46	8,283,665.38
2	Funds:		20,070,695.94	17,845,657.01
2.1	Restricted Fund Balance	6.4	16,311,928.47	14,952,134.76
2.2	Gratuity Fund Balance	6.5	3,758,767.47	2,893,522.25
3	Long Term Loan-Secured		-	-
4	Current Liabilities & Provisions		8,726,812.85	4,817,819.66
	Creditors & Payables Central	7	8,726,812.85	4,817,819.66
	Total Liabilities		59,239,439.26	52,573,384.69

Notes to Financial Statements

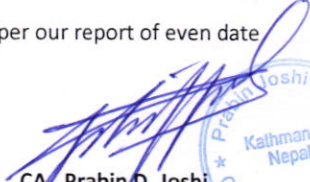
11

Schedules 1-11 form integral part of Financial Statement

As per our report of even date


Hari Prasad Pudasaini
Treasurer


Dr. Suresh Dhakal
Chairperson

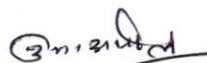

CA. Prabin D. Joshi
Prabin Joshi & Co.
Chartered Accountants

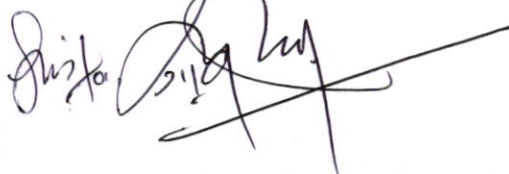

Geeta Pandit
Admin & Finance Coordinator


Anita Kharel
Admin & Finance Manager


Jagat Deuja
Executive Director

Executive Committee Members:







Community Self Reliance Centre (CSRC)

Income & Expenditure Statement

For the period from 1 Shrawan 2074 to 32 Ashad 2075 (Corresponding to 16 July 2017 to 16 July 2018)

Amount in Rs.


Income	Sch	Current Year	Previous Year
Restricted Grant Received	8	183,229,021.45	171,956,652.10
General Income	9	2,409,980.88	1,652,668.93
Total Income (A)		185,639,002.33	173,609,321.03
Expenditure			
Office General Expenses	10	688,127.51	352,866.21
Project/Program Expenditure:			
Restricted Program Activities	8	183,229,021.45	171,956,652.10
Basket Fund Activities		-	-
Total Expenditure (B)		183,917,148.96	172,309,518.31
Excess of Income over Expenditure (A-B)		1,721,853.37	1,299,802.72
Appropriation Account			
Appropriation to			
Fixed Assets Fund		-	-
Special Program		-	-
General Fund		1,721,853.37	1,299,802.72
Surplus balance transferred to Balance Sheet		1,721,853.37	1,299,802.72


Notes to Financial Statements

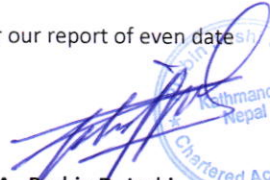
11


Schedules 1-11 form integral part of Financial Statements


As per our report of even date

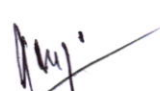

Hari Prasad Pudasaini
Treasurer


Dr. Suresh Dhakal
Chairperson


CA. Prabin D. Joshi
Prabin Joshi & Co.
Chartered Accountants


Geeta Pandit
Admin & Finance Coordinator


Anita Kharel
Admin & Finance Manager


Jagat Deuja
Executive Director

Executive Committee Members:

